
SUCCESSOR AGENCY to the REDEVELOPMENT AGENCY of the CITY of BURBANK

DATE: May 27, 2014

TO: OVERSIGHT BOARD

FROM: Ruth Davidson-Guerra, Assistant Community Development Director/
Successor Agency Implementing Official

**SUBJECT: AMENDED AND RESTATED LONG RANGE
PROPERTY MANAGEMENT PLAN – PART II**

RECOMMENDATION

Staff recommends the Oversight Board adopt the proposed resolution, which approves the Amended and Restated Long Range Property Management Plan – Part II (Revised PMP-II) for the Burbank Successor Agency.

BACKGROUND

On October 28, 2013, the Oversight Board adopted Resolution No. 14 approving the Long Range Property Management Plan – Part II (PMP-II) which included nine Chapters dealing with different properties owned by the Successor Agency. As required by law, staff transmitted the PMP-II and the approved resolution to the State Department of Finance (DOF). Rather than denying the PMP-II and in an effort to work with the Successor Agency, the DOF forwarded comments and required revisions in April 2014 (Exhibit A). Other revisions, which will be discussed in greater detail later in this report, include: 1) Chapters 5 and 6, Proposed Disposition (due to changes in the wind-down law); 2) elimination of original Chapter 8 as recommended by the Oversight Board with concurrence of the DOF; and 3) original Chapter 9 (to be renamed Chapter 8), Proposed Disposition (to be consistent with the intended use of the property as a small part of a larger transit-oriented development site, while still preserving the interests of the various taxing entities).

DISCUSSION

CHAPTERS 5 and 6 Section 34191.5 of the Health and Safety Code cites the Long Range Property Management Plan may provide for the disposition of property to the city that created the redevelopment agency for a project identified in an approved redevelopment plan. AB 471, an urgency law chaptered February 18, 2014, clarified this provision and adds: “For purposes of this subparagraph, the term “identified in an approved redevelopment plan” includes properties listed in a community plan or a five-year implementation plan.”

Assembly Bill 471 was signed into law subsequent to the Oversight Board's consideration of PMP-II and the proposed revisions to Chapters 5 and 6 reflect the new law. Because the amended Section does not specifically speak to a need for financial compensation for government use properties, staff conferred with the DOF. The DOF's representative confirmed that compensation (the write down of City/Redevelopment Agency debt, included in the original PMP-II) is not required. The representative stated that this new provision was not triggered, but that these transfers to the City for a governmental use are allowed without consideration. Exhibit B provides the "red-lined changes" of both Chapters.

CHAPTER 8 As recommended by the Oversight Board, and confirmed by the DOF, Chapter 8 of the PMP-II, which dealt with the public parking structure at 133 E. Orange Grove (an asset of the Parking Authority, not the former Redevelopment Agency) has been removed.

CHAPTER 9 Chapter 9 of the PMP-II was renamed as Chapter 8 of the Revised PMP-II and deals with a portion of property at 10 West Magnolia Blvd. During its consideration of the PMP-II, the Oversight Board desired to place some parameters in the PMP-II whereby the co-owners of the subject property (City and Successor Agency) would consider options for possible development within six months, with the intent to commence marketing the site within one year. These provisions were included in the approved Resolution No. 14. However, DOF's representative stated that Assembly Bill 471 did apply to this parcel since the development of the property is clearly identified in the Burbank Center Plan (a specific plan of the City's Land Use Element of the General Plan). Upon review the draft revisions of this and all other revisions, there was discussion between local staff and the DOF staff, resulting in a recommended approach by the DOF representative. Their proposed approach is to allow the property to be transferred to the City for "Future Development", which is a specific category designed to accommodate future development of property and allows the interests of the Successor Agency (but more specifically, the taxing entities) to be preserved via agreement(s) between the City and the taxing entities for future compensation once the property is sold, leased generating revenue from a sales/lease transaction.

To put this in context in terms of future development opportunities, the Successor Agency's interest of the subject site is 25% of the specific parcel at 10 West Magnolia Blvd. However, the Successor Agency's interest is only 26,462 square feet of a much larger seven-acre, transit-oriented development. It is therefore the sentiment that site development control must be maintained by the City which is the holder of the majority interest. As mentioned, DOF suggested that the property be conveyed to the City (which is consistent with the newly adopted law- AB 471), subject to a future share of the proceeds when it is sold. As a measure of further assurance to the taxing entities, staff suggests including a grant deed restriction in the deed from the Successor Agency to the City that includes a requirement to share transaction proceeds attributed to the Successor Agency's 25% of 10 West Magnolia Blvd with the then taxing entities, unless other arrangements have been agreed to by those entities.

CONCLUSION

Proposed for the Oversight Board's consideration and approval is the Amended and Restated Long-Range Property Management Plan – Part II. The revised plan incorporates the DOF's revisions, as well as changes to the disposition of property covered in Chapters 5, 6, and 8. The Successor Agency conferred with DOF regarding the appropriateness and mechanics of the revisions. As of the writing of this report, DOF staff has provided its preliminary approval of the proposed changes.

EXHIBITS

- A – DOF Required Revisions
- B – Chapters 5 and 6 Red-Lined Revisions
- C – Chapter 8 Red-Lined Version of Former Chapter 9
- C – Amended and Restated Long Range Property Management Plan – Part II
(Chapters 1-8)